

Amendments to Senate Bill No. 489
3rd Reading Copy

Requested by Senator Vicki Cocchiarella

For the House State Administration Committee

Prepared by Pat Murdo
March 19, 2007 (2:10pm)

1. Page 1, line 17.

Strike: "SUBSECTION (2)"

Insert: "subsections (2) and (3)"

2. Page 1, line 18.

Following: "stock"

Insert: "in the same manner that a prudent expert acting in a fiduciary capacity and familiar with the circumstances would use"

3. Page 2, line 3.

Following: "fund"

Insert: "state compensation insurance fund"

4. Page 2, line 5.

Following: "organization"

Insert: "in the conduct of a private insurance organization.

State compensation insurance fund assets may be invested in private corporate capital stock. However, the stock investments shall not exceed 25 percent of the book value of the state compensation insurance fund's total invested assets"

- END -

Explanation - This puts the state compensation insurance fund back to current language.

1) The previous amendment to SB 489 had removed the reference to 25% of the book value of the state compensation insurance fund's assets because the thought was that the state compensation insurance fund would be under the same 25% limit proposed by the bill and a separate section for the state fund was repetitive. Also, there was no reference to the prudent expert principle for investment of public funds, so the reference in subsection (3) was used -- ignoring the difference in meaning between "funds" and "assets". The fiduciary responsibility reference is now in amendment #2.

2) Amendments 1, 3. and 4 put the state compensation insurance fund reference back to what it now is in the constitution. The "25% of the book value of the state compensation insurance fund's total invested assets" could be greater than 25% of "public

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